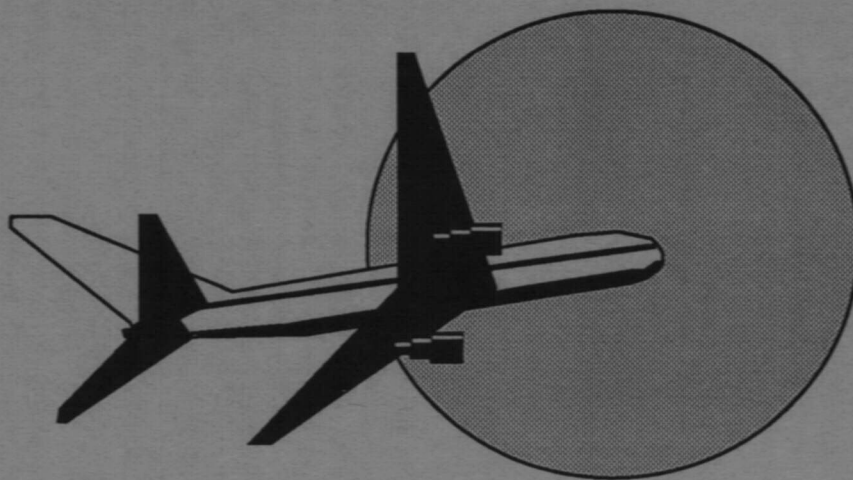
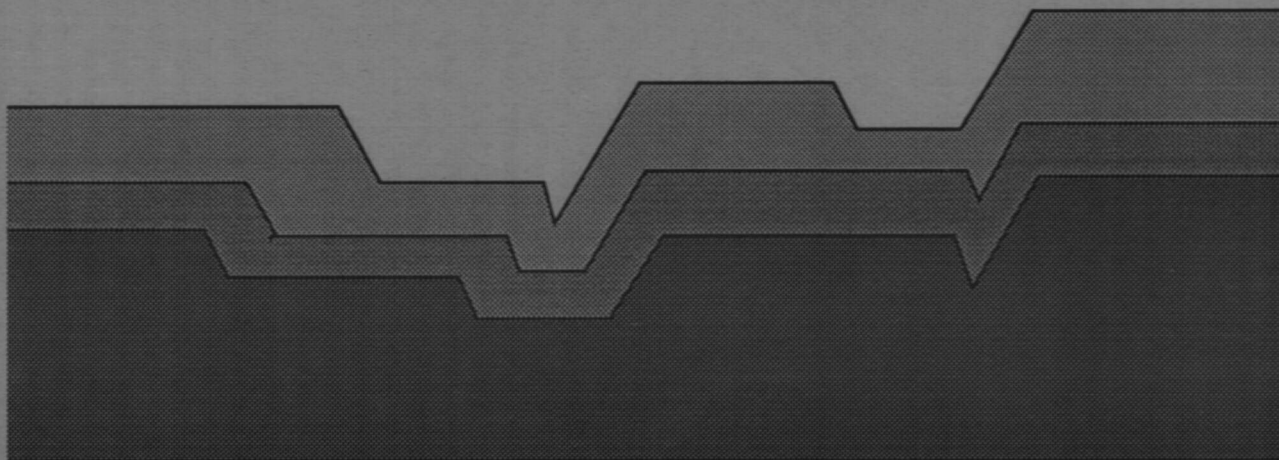


AERONAUTICS DIVISION

PROGRESS REPORT 1995-96



ARIZONA DEPARTMENT OF TRANSPORTATION



Mission Statement

The mission of the Arizona Division of Aeronautics is to encourage and advance the safe and orderly development of aviation in the State.

The Purpose of the Arizona Aeronautics Division is to:

PROVIDE the citizens of Arizona a safe, balanced and integrated statewide aviation system to meet present and future needs.

REPRESENT the state of Arizona in planning, developing, maintaining and operating facilities for the efficient movement of people and goods by air throughout the state.

ADVOCATE aviation transportation policies consistent with the overall goals of the state; to enhance the sociological welfare; preserve natural resources and conserve available funding.

WORK cooperatively with all entities - public and private - to develop the means for multimodal mobility that will meet community needs as expressed through local planning, land use, patterns of commerce and public dialogue.

STRIVE to create and maintain a local state and federal climate that will make action programs and adequate funding available to achieve a level of aviation transportation capacity and quality necessary for Arizona's continued progress.

RESPOND to the needs of the public, including their need to know, understand and discuss the aviation transportation issues and developments of the day - and to be continually mindful of the tremendous importance of the mission the department has been given as a public trust.

ATTRACT the vital human resources required and reward performance excellence in order to bring the highest degree of professional and technical expertise to the aviation challenges of this state, supported by a meaningful affirmative action program which offers equal self-development opportunities for all.

IMPROVE and maintain internal systems, controls, and support services that can assure maximum productivity while using time, manpower, equipment and facilities at optimum efficiency.

ENCOURAGE innovative thinking and action directed toward management decisions, policy implementation, systems application and design, research, planning and aviation safety efforts.

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HISTORY

The history of the Arizona Department of Transportation's Aeronautics Division began with the creation of the Arizona Aviation Authority in March of 1950. The Authority originally consisted of an unpaid board of five members serving three year terms. The primary purpose of the board was to advise the Governor and the legislature on aviation matters. In May of 1955, a director was appointed. The Authority started monthly publication of a newsletter in 1956, and an airmarking program to aid in cross-country navigation was initiated in 1958. In 1959, the Authority began to assist communities in developing airfields.

In 1962, the legislature created the Arizona Department of Aeronautics with a seven member board, and appropriated funds to assist in construction of a Grand Canyon Airport. Construction began in 1963, and the airport officially opened two years later.

In 1974, the Departments of Aeronautics, Highways, and Motor Vehicles were combined to form the present-day Arizona Department of Transportation.

Arizona's Aeronautics Directors

1955 - 1975 James Vercillino
 1975 - 1975 John Burns
 1975 - 1978 John Walters

1978 - 1987 Ascencion (Sonny) Najera
 1987 - 1988 Jack Christopherson
 1988 - Gary Adams

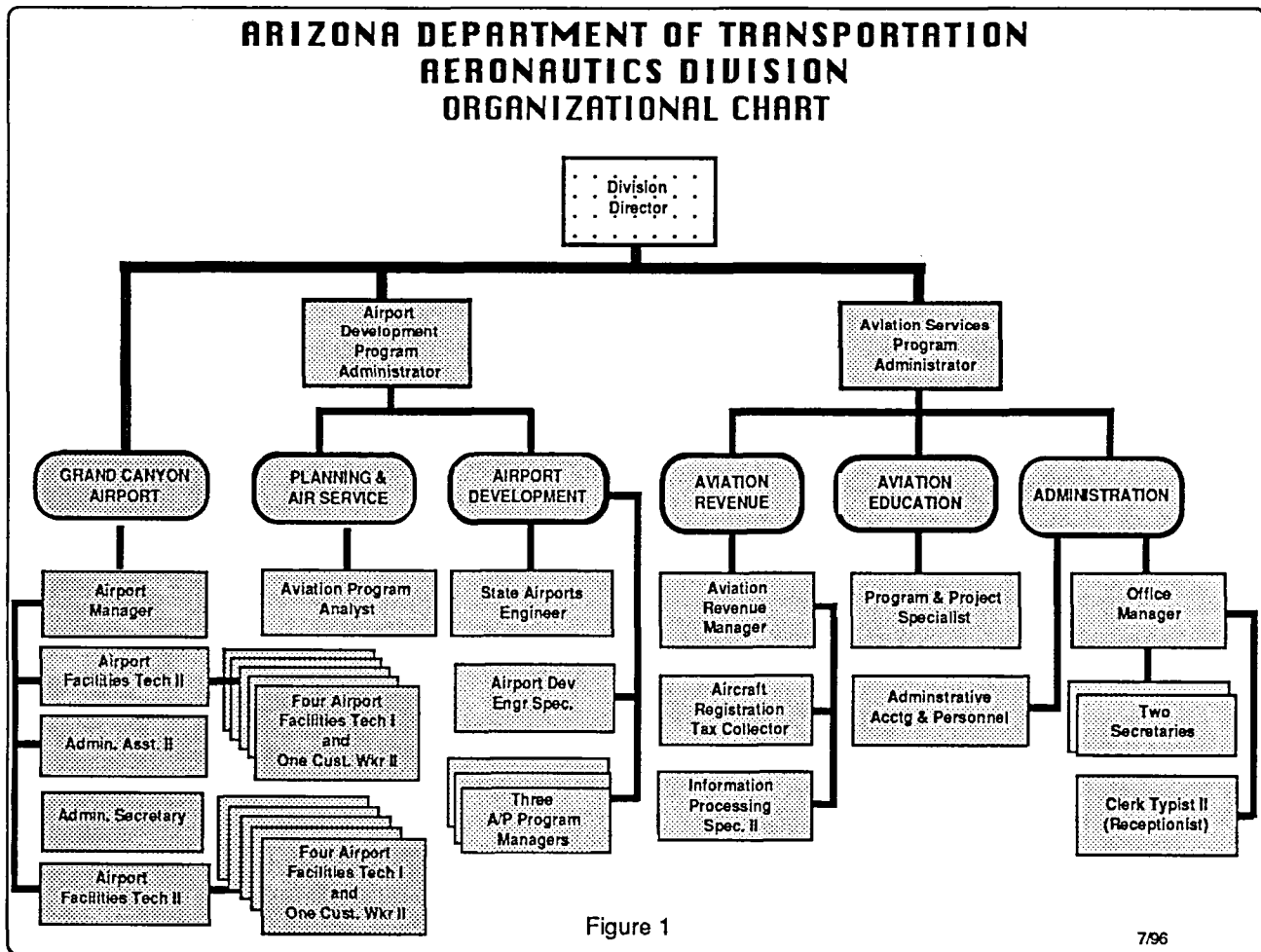
AUTHORITY AND RESPONSIBILITY

The Arizona Department of Transportation is composed of five divisions: Aeronautics, Highways, Transportation Planning, Motor Vehicles and Administrative Services. The Aeronautics Division is charged by state law to:

- Encourage and advance the safe and orderly development of aviation in the state
- Assemble and distribute, to the public, information relating to aviation
- Represent the state on issues of routing and rate schedules concerning airline traffic
- Accept federal and other monies for airport development or air navigation facilities
- Ensure that the Grand Canyon National Park Airport is operated and maintained

- License aircraft dealers
- Register non-airline aircraft within the state
- Make recommendations on legislative and policy issues

The Aeronautics Division, since June 1990, has been organized along functional lines of responsibility. The Division Director provides the overall direction to guide the Division's efforts. The Airport Development Program Administrator is responsible for Airport Development, Planning, and Air Service programs. The Aviation Services Program Administrator is responsible for Aviation Revenue/Aircraft Registration, Aviation Safety and Education, Administration, and the Airports Loan programs. The organizational structure of the Division is shown in the chart below.



ARIZONA AIRPORT SYSTEM

Arizona's State Airport System directly connects the state's communities, and provides an essential link with the national systems of airspace and airports. It is considered desirable to provide the general public with no more than a thirty-minute driving time to a public use airport facility. In Arizona, there are 212 airports and 76 heliports registered with the Federal Aviation Administration (FAA). A primary system of 59 airports provides service to 90% of the population (see page 4). Of the 59 primary system airports, 50 are publicly owned, while 6 are Indian-controlled and 3 are privately owned.

Primary airports are those airports which meet the following criteria:

- Open to the public
- Ten or more based aircraft or at least 2,000 annual operations

- Scheduled air service by an air carrier or commuter airline on a regular basis
- Projections to meet any one of the above criteria within ten years

Arizona also has a system of secondary airports (see page 5). Secondary airports are typically the less heavily used general aviation airports serving smaller communities and rural areas.

Secondary airports are those airports which meet the following criteria:

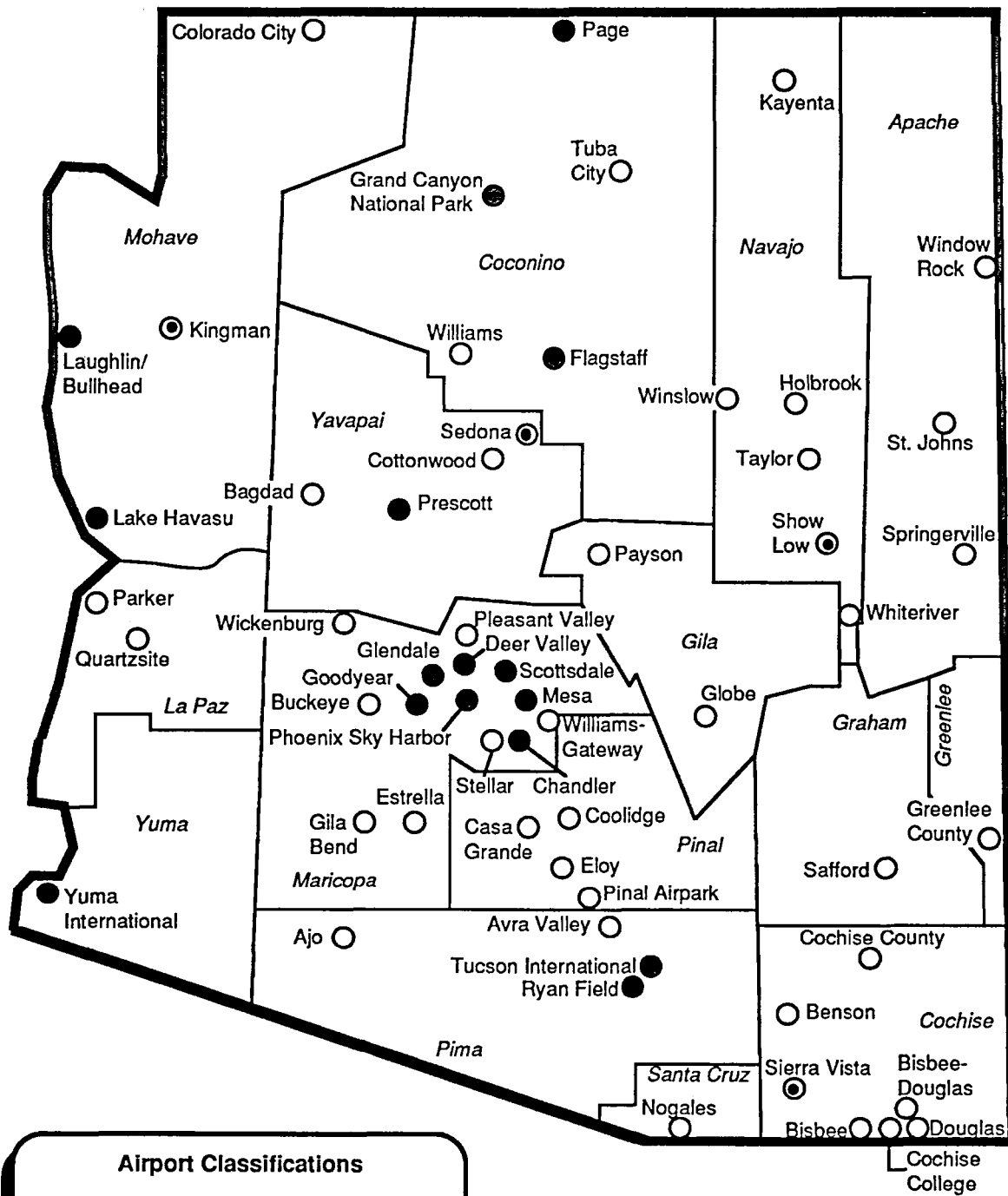
- Open to the public
- Not included in the primary system

Of the facilities dedicated to helicopters, 73 of the 76 heliports or helistops currently listed by the FAA in Arizona are private-restricted facilities.

ARIZONA AIRPORT SYSTEM FACILITIES BY TYPE		
	Primary	Secondary
Primary Commercial Service Airports served by scheduled airlines enplaning 10,000 or more passengers annually.	9	
Non-Primary Commercial Service Airports served by scheduled airlines enplaning 2500 or more passengers annually.	4	
Reliever Airports which relieve congestion at a commercial service airport and provide additional general aviation access to the community.	7	
General Aviation Airports used for general aviation purposes.	39	44
TOTAL SYSTEM AIRPORTS	59	44

Table 1

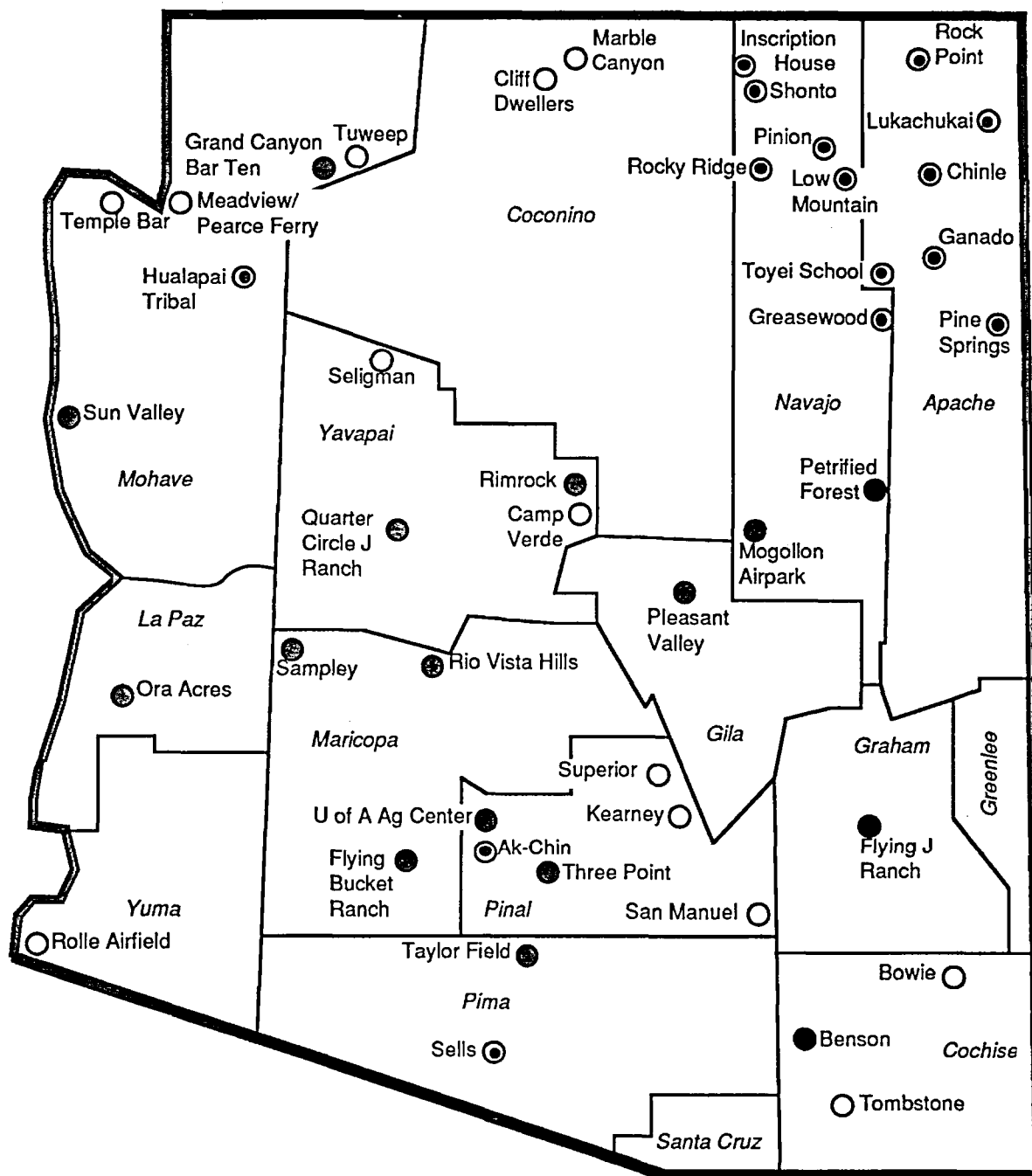
Primary Airport System



Aeronautics Div. 03-94

State of Arizona

Secondary Airport System



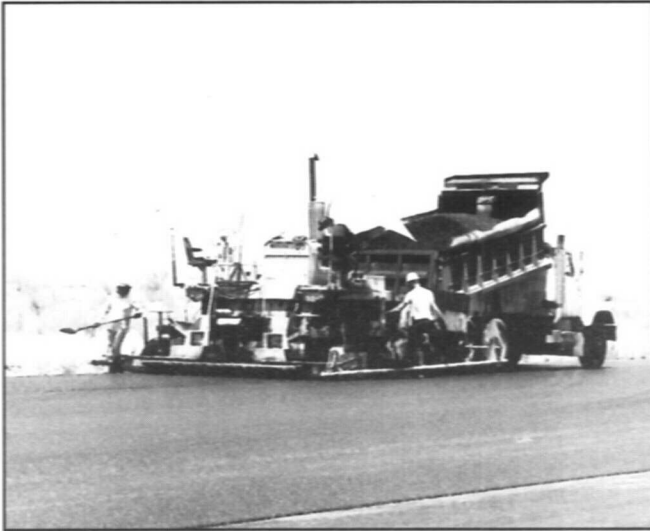
Airport Ownership

○ Public ● Private ⊙ Native American

Secondary System Definition: All public use facilities not in the State's Primary System.

Aeronautics Div. 03-94

AIRPORT DEVELOPMENT PROGRAM



Under the direction of the Airport Development Program Administrator, this program area has the following responsibilities:

- Administration of the Five Year Airport Development Program and reimbursement of sponsor expenses for eligible project items
- Technical support for airports and airport projects
- Engineering guidance for, and administration of, Grand Canyon National Park Airport construction
- Airport safety data inspections covering selected public airports
- Air Service and Aviation Programming/Planning

PROGRAMMING

The planning process for the Five Year Airport Development Program begins with an extensive evaluation of needs. Needs are prioritized among the airport categories, then included in a program consistent with criteria established by the State Transportation Board. Finally, projects are evaluated and matched with anticipated funds to

create a financially balanced program that optimizes use of available aviation dollars.

FUNDING

Airport construction and development funding in Arizona is accomplished through a cooperative effort involving federal, state, and local governments.

Federal funds are derived mainly from taxes on airline tickets and aviation fuel. This past fiscal year, the amount of Federal Airport Improvement Program funds allocated for Arizona airports was over \$42.6 million. Federal funds for Arizona, when viewed in dollars allocated, has fluctuated from year to year, but during the past five years, has remained relatively stable (see figure 2, page 7).

State funds come mainly from flight property tax, lieu taxes on aircraft, and aviation fuel taxes. These taxes are paid into the State Aviation Fund. In Arizona, aviation pays for itself, with no money coming from the state's general fund. Using funds from the State Aviation Fund, the Airport Development Program has increased dramatically over the past decade. State grant funds allocated have increased from \$3.9 million in FY 1986-87 to \$14.1 million in FY 1995-96 (see figure 3, page 7), an increase of over 360 percent from the beginning to the end of that ten year period.

At the local level, funds for airport construction and development may come from several sources: general fund contributions, revenue from general obligation bonds, user taxes, revenues from airport leases, and concessions. Currently, the local sponsor must provide a matching share of 4.47 percent on federal/state/local projects and a ten percent share on state/local projects. Even with a matching share of only 4.47 or 10 percent, many smaller communities find it difficult to meet this requirement, given the size and extent of the projects necessary to adequately address the needs of their local airport.

Local airport sponsors may, at any time, receive technical comments and operational guidance concerning improvements or development of their airports.

The airport sponsor's administrative burden is being reduced through policies developed by the Airport Development Section. Whenever possible, reporting forms and other documents already required by the federal government are also used for state purposes, helping reduce the amount of man-hours necessary to comply with reporting requirements.

AIRPORT SAFETY INSPECTIONS

During the past year, the Airport Safety Inspection Team visited more than fifty Arizona airports. The team conducted inspections of public use airfield facilities and conditions for the FAA's Airport Safety Data Program.

The objectives of the Airport Safety Data Program are: to promote airport safety through contact with airport management; to identify and report safety conditions at airports; and to make safety recommendations to correct deficiencies.

The Airport Safety Data Program also provides airport information for: the federal government's Airport Facility Directory (AFD); the FAA's airport data base; and for publishers of aeronautical charts and airport guides.

GRAND CANYON NATIONAL PARK AIRPORT ENGINEERING

The Airport Development Program is also responsible for engineering and the administration of construction projects at the state-owned Grand Canyon National Park Airport. All funding, payment and project authorizations are processed through Airport Development. Consulting firms, under the direction of the Airport Development Engineering Team, have designed both airside and landside airport infrastructure improvements.

All engineering phases of construction work undertaken at the Grand Canyon Airport are either performed directly by this office or performed by consultant engineers under the supervision of the Airport Development Section. Current projects for the Grand Canyon National Park Airport include: fencing, signage, lighting, and water supply/distribution projects.



AIR SERVICE AND AVIATION PROGRAMMING/PLANNING

The Aviation Planning Section assists in developing strategies and programs to encourage and advance the safe and orderly long-term development of Arizona's aviation system. This requires ongoing monitoring of system deficiencies, strengths and future demands. To accomplish this goal, the Division maintains a Continuous Planning Process (CPP) for the system. Elements of the CPP include: analysis of current aviation activities for airports in the system, forecasts of future demand on the system, and the ability of the system to meet those needs. Another segment of the CPP includes a Pavement Management System (PMS), used to determine the health of airport pavements and prioritize maintenance and replacement activities.

Division staff continues to support and participate in the regional aviation system planning activities of the Maricopa Association of Governments (MAG) and the Pima Association of Governments (PAG). Staff incorporates these regional studies into the state aviation plan, ensuring proper dovetailing of findings.

Statewide Studies

Periodically, special studies are conducted to analyze specific statewide issues or new technologies that become available to the aviation community.

During the past year the Division completed the *1995 Arizona State Aviation Needs Study (SANS)* which is updated every five years. This study evaluated the performance of all public use airports in the State Aviation System and contained an analysis of the capital investment required to maintain or improve the system. Maintenance, expansion, new airport construction or a combination of these methods will be employed to accomplish identified goals. This study included all publicly/privately owned public airports and heliports, including Native American and recreational airports.

During the past year, the Division completed the *Feasibility and Site Selection Study for a Regional Aircraft Rescue and Firefighting Training Facility (ARFF)*. The City of Tucson was selected as the site for the facility. The facility will be located at the Tucson Public Safety Training Academy, presently under construction. Sponsors will also have an opportunity to cross-train service personnel at this facility and will be the only site of its kind in the United States.

A request for proposal has been submitted for *The Aviation Services Study*: a special NAVAIDS Study. This study will investigate the type and number of navigational aids and aviation-related services at airports in the State and establish a database for determining deficiencies, indicate the type of service/navaid required and prioritize development.

Airport Specific Studies

Planning staff establishes guidelines and procedures, in conjunction with the FAA, for individual airport planning. Airport specific studies for proposed airport projects include:

- Site Selection Studies
- Airport Master Plans
- Airport Noise Studies
- Environmental Assessment Studies

Projects completed last year include Airport Master Plans for: Gila Bend Municipal, Lake Havasu City Municipal, Earnest A. Love Field and Sierra Vista Municipal. Other projects recently completed include Environmental Assessments at Seligman, Show Low and Tucson International airports.

FAA Grant Funds Allocated in Arizona

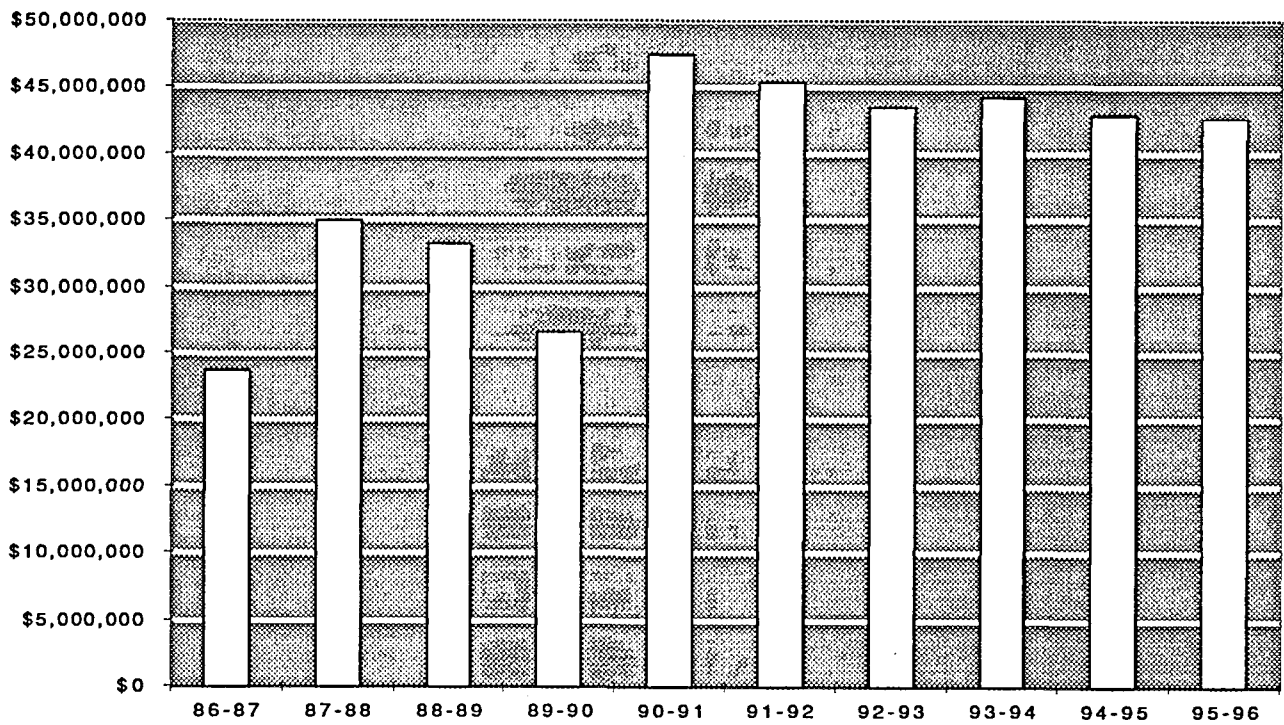


Figure 2

State Airport Funds Allocated

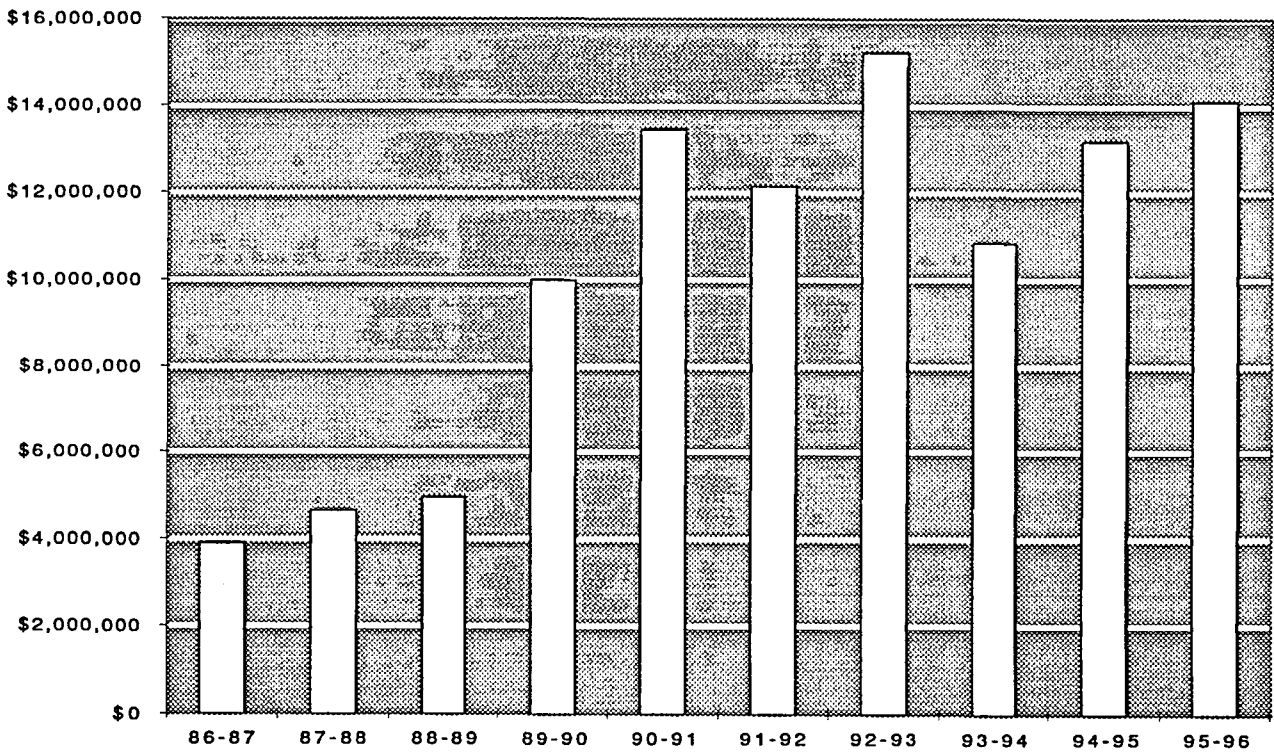


Figure 3

PROJECT ADMINISTRATION

Airport projects funded through the Five Year Airport Development Program are subjected to technical review and monitoring from design through the construction and audit processes.

During the design phase, the Airport Development staff assists sponsors in evaluating and interpreting design criteria. Additional assistance is rendered by reviewing engineering agreements, plans, specifications and contract documents for compliance with state funding requirements.

As the project progresses through the construction phase, the staff reviews bid tabulations, performs field reviews of work during construction, reviews field and laboratory procedures/test results, and analyzes and approves change orders.

At the conclusion of the project, a final inspection is performed. As-built plans and certified quantities are required before final payment is made. Approximately one-third of the projects are audited to ensure compliance with contractual

requirements. The number of airport projects completed remained relatively constant during the fiscal year periods of 1986-87 to 1988-89 with between 25 and 30 projects completed each year (see figure 4, page 8). The sharp increase in federal and state funding (beginning in FY 1987-88 and 1989-90 respectively) resulted in a significant increase in the number and scope of projects. The increased number of completed projects in FY 1992-93 through FY 1995-96, reflects this increased funding trend.

TECHNICAL ASSISTANCE

The Airport Development staff provides technical support to assure quality construction, optimize construction costs, streamline administrative procedures, and assist local officials in the development of their airport facilities in a cost-effective manner.

The Airport Development staff also provides technical support for special aeronautical studies and for the development of airport plans.

Completed Airport Development Projects

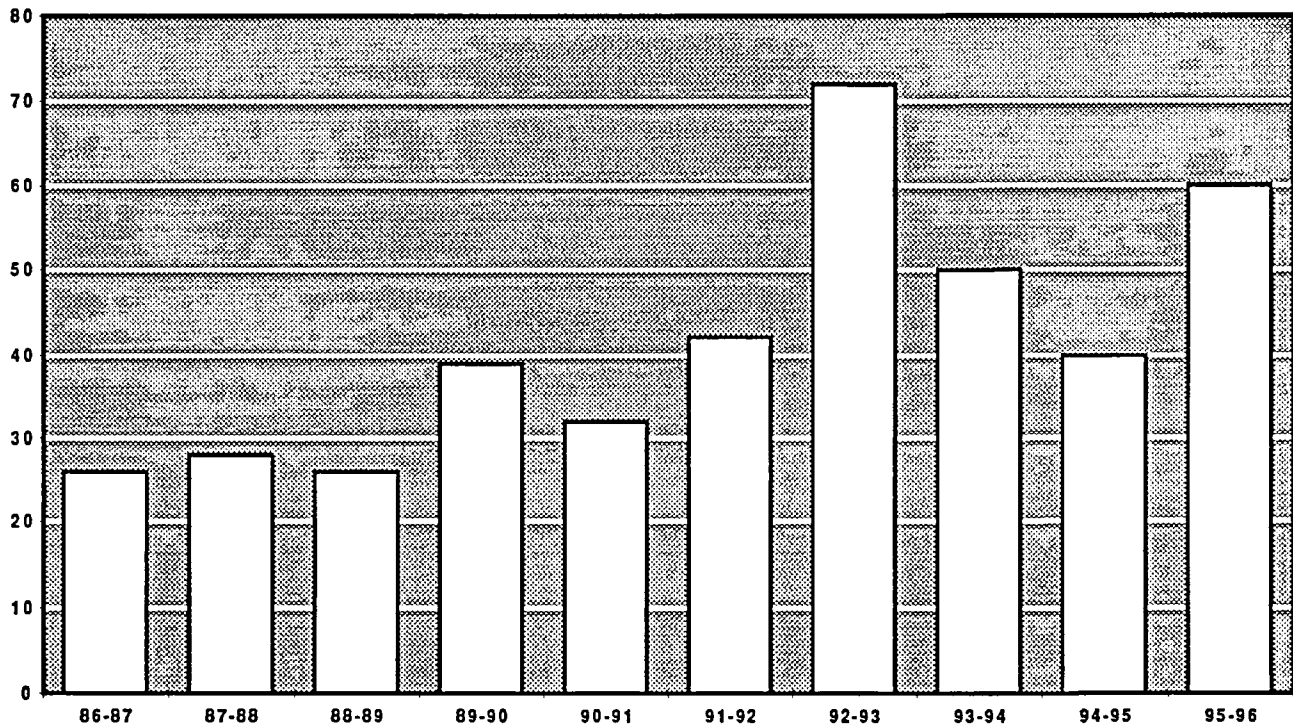


Figure 4

GRAND CANYON NATIONAL PARK AIRPORT



The Aeronautics Division is responsible for the maintenance, operation and improvements of the only active state-owned airport in Arizona, the Grand Canyon National Park Airport.

The Grand Canyon National Park Airport is located in Tusayan, seven miles from the south rim. The present day facility incorporates the site of the first official Grand Canyon airport, a landing field authorized by the U.S. Forest Service for commercial flights in 1925. The Arizona Department of Aeronautics was instrumental in the acquisition and construction of the airport. The Grand Canyon National Park Airport was originally constructed with funds from the Department of Interior, the Federal Aviation Administration and the state of Arizona. The new airport first opened in October,

1965 and was completed and formally dedicated on October 20, 1967.

Today, the airport is the third most active air carrier airport in the state following Phoenix Sky Harbor International Airport and Tucson International Airport. The airport is served by over 40 air taxi and commuter carriers. For fiscal year 1995-96, Grand Canyon National Park Airport annual aircraft operations totaled 204,920 with 1,241,589 passengers enplaned and deplaned.

During FY 94 the Aeronautics Division awarded three ground lease contracts for the construction and operation of three heliports at the airport and this past year the heliports commenced operations.



**GRAND CANYON NATIONAL PARK AIRPORT
REVENUE AND EXPENDITURES
AIRCRAFT OPERATIONS AND PASSENGERS ENPLANED**

	1991-92	1992-93	1993-94	1994-95	1995-96
REVENUE	\$989,600	\$914,445	\$1,211,227	\$1,364,000	\$1,401,357
Percent Change	1.3%	-7.6%	32.5%	12.6%	2.7%
ADMINISTRATIVE EXPENDITURES					
Full Time Employees	15	15	15	15	15
Personal Services	\$324,700	\$273,626	\$282,761	\$313,063	\$319,765
Employee Related Expenses	\$75,000	\$100,252	\$94,300	\$97,096	\$96,939
Professional Services	\$0	\$0	\$850	\$0	\$2,394
Travel	\$5,900	\$4,784	\$5,518	\$7,804	\$5,242
Other Operating Expenses	\$249,700	\$231,274	\$216,434	\$240,870	\$254,859
Capital Equipment	<u>\$185,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,500</u>	<u>\$0</u>
TOTAL ADMINISTRATIVE	\$840,300	\$609,936	\$599,863	\$664,333	\$679,199
Percent Change	22.3%	-27.4%	-1.6%	10.7%	2.24%
CAPITAL IMPROVEMENT EXPENDITURES (State \$)	\$790,299	\$3,451,299	\$6,865,727	\$1,215,900	\$703,164
TOTAL EXPENDITURES	\$1,630,599	\$4,061,235	\$7,465,590	\$1,880,233	\$1,382,363
NET INCOME (LOSS)	(\$640,999)	(\$3,146,790)	(\$6,254,363)	(\$516,233)	\$18,994
AIRCRAFT OPERATIONS	173,313	176,167	188,124	183,239	204,920
Percent Change	11.8%	1.7%	6.8%	-2.6%	11.8%
PASSENGERS ENPLANED/ DEPLANED	790,276	987,110	1,069,755	1,059,139	1,241,589
Percent Change	2.0%	24.9%	8.4%	-1.0%	17.2%

Source: Aeronautics Division, Arizona Department of Transportation
Unaudited Financial Records

Table 2

AVIATION SERVICES PROGRAM



FAA Administrator David Hinson, left and NASAO's President Gary Adams, sign the memorandum of understanding to enhance targeting of regional, state and national air transportation improvements.

The Division Director, the Program Administrators for Airport Development and Aviation Services, and the Grand Canyon Airport Manager make up the Aeronautics Division's management team. The management team plans, establishes, and implements the overall policy direction for the Division. For the purposes of this report, the management team's activities are included here under Aviation Services.

The Division Director has taken an active role in representing the state of Arizona in local, as well as national forums concerning important aviation matters. Over several years, the Division Director has been deeply involved in several aviation issues of national significance: airspace issues at national parks; federal Airport Improvement Program (AIP) funding; and air tour industry safety.

During fiscal year 1995-96, the Division Director served as the President of the National Association of State Aviation Officials (NASAO). NASAO is made up of, and represents the state government aviation agencies in all 50 states and Puerto Rico and Guam. NASAO was formed in 1930 with a primary mission of encouraging cooperation and mutual aid between the states and federal and local governments and to develop a state and national air transportation system that is responsive to regional, state, and national needs.

During his term as NASAO President, the Division Director was directly responsible for an unprecedented long-term partnership agreement being signed by the FAA and NASAO to enhance targeting of regional, state, and national air transportation improvements.

AVIATION SERVICES

Under the direction of the Aviation Services Program Administrator, this program area has the following responsibilities:

- Plan, organize, and conduct statewide aviation safety and educational programs
- Administer the aircraft registration process, collect aviation revenue, and license aircraft dealers
- Administer the Airport Loan Program
- Administration of the Grand Canyon National Park Airport
- Provide administrative services and support for the Aeronautics Division

ADMINISTRATION

Administration provides a myriad number of functions and services for the Division. The administrative function is responsible for secretarial and clerical support, records management, and personnel services. The Section is continually involved with a wide spectrum of aviation issues.

The Aviation Services Program Administrator is the Division's legislative liaison, directly responsible for review and comments on legal and regulatory matters, as well as the communication of the Division's views to the legislative branch. In addition, the Aviation Services Program Administrator is responsible for the preparation of

**AERONAUTICS DIVISION
ADMINISTRATION
REVENUE AND EXPENDITURES**

	1991-92	1992-93	1993-94	1994-95	1995-96
REVENUE					
Flight Property Tax	\$6,934,381	\$11,329,977	\$12,278,607	\$13,783,627	\$18,564,298
Aviation Fuel Tax	\$503,088	\$396,733	\$690,752	\$254,630	\$512,328
Aircraft Lieu Tax	\$1,404,933	\$1,429,867	\$1,473,081	\$1,517,470	\$1,793,314
Aircraft Registration Fees	\$26,285	\$25,275	\$26,420	\$24,665	\$25,395
Miscellaneous & Investments	<u>\$1,064,297</u>	<u>\$1,304,481</u>	<u>\$1,080,365</u>	<u>\$1,410,326</u>	<u>\$1,895,329</u>
TOTAL	\$9,932,984	\$14,486,333	\$15,549,225	\$16,990,718	\$22,790,664
Percent Change	-29.1%	45.8%	7.3%	9.3%	34.14%
EXPENDITURES					
ADMINISTRATIVE					
Full Time Employees	18	18	18	18	18
Personal Services	\$429,198	\$467,496	\$435,573	\$442,962	\$397,799
Employee Related Expenses	\$79,995	\$106,257	\$90,457	\$103,159	\$93,316
Professional Services	\$158,197	\$43,866	\$12,072	\$79,688	\$49,394
Travel In-State	\$25,998	\$22,246	\$20,074	\$17,812	\$16,227
Travel Out-of-State	\$7,161	\$9,213	\$8,550	\$12,677	\$12,541
Other Operating Expenses	\$82,152	\$68,771	\$138,637	\$114,314	\$158,065
Capital Equipment	\$0	\$0	\$0	\$32,968	\$0
Reimburse Highway Fund	<u>\$35,965</u>	<u>\$7,452</u>	<u>\$9,145</u>	<u>\$0</u>	<u>\$0</u>
TOTAL ADMINISTRATIVE	\$818,666	\$725,301	\$714,508	\$803,580	\$727,342
Percent Change	15.7%	-11.4%	-1.5%	12.5%	-9.5%
AIRPORT DEVELOPMENT EXPENDITURES (State \$)	\$15,376,672	\$12,299,269	\$12,200,261	\$7,364,014	\$8,567,890
TOTAL EXPENDITURES	\$16,195,338	\$13,024,570	\$12,914,769	\$8,167,594	\$9,295,232
NET INCOME (LOSS)	(\$6,262,354)	\$1,461,763	\$2,634,456	\$8,823,124	\$7,695,486

Source: Aeronautics Division, Arizona Department of Transportation
Unaudited Financial Records

Table 3



budgets, the design and use of accounting and fiscal controls, general management policy, and the preparation and management of all contracts. The Aviation Services Program Administrator is also responsible for the administration and coordination of: the Arizona Airport of the Year Program and Award; the Aviation Education Week Program; and the state's portion of the International Aviation Art Contest.

Annually, the state legislature reviews and approves an administrative budget from the State Aviation Fund, for the Aeronautics Division. A portion of the budget is designated for Aeronautics Division operations with the remainder earmarked for airport construction and development. The State Transportation Board, through public hearings and a priority rating system, approves individual airport construction projects as published in the Five-Year Airport and Highway Construction Program. (See Airport Development Section for details.)

In fiscal years 1992 through 96, the state's Airport Development Grant Program was supplemented by the Airports Loan Program. The Airport Loan Program, which is coordinated and administered by the Aviation Services Program Administrator, offers loans for revenue generating improvements

to airports. Priority has been placed on projects such as: hangers, terminals and fuel farms. To date, loans totaling approx. \$9.1 million have been provided to Arizona airports.

AVIATION REVENUE

The Aviation Revenue Section is responsible for:

- The collection of general aviation aircraft registration fees and lieu tax
- The monitoring, forecasting and assisting in the collection of other revenues for the State Aviation Fund
- The licensing of aircraft dealers

CALENDAR YEAR 1995

AIRCRAFT REGISTERED: 5,104	
LANDPLANE	3,618
HM BLT/EXPERIMENTAL	350
ROTORCRAFT	151
BALLOON	140
GLIDER	107
AGRICULTURAL	68
MILITARY SURPLUS	57
ANTIQUE	59
CLASSIC/WARBIRD	554

Table 4

The Aviation Revenue Section is also responsible for the collection, monitoring, and assisting in forecasting State Aviation Fund revenues. The State Aviation Fund receives revenue from a variety of sources including:

- Flight property taxes levied on scheduled airline aircraft
- Aviation fuel taxes
- Aircraft lieu tax and registration fees on non-airline aircraft
- Revenues from the operation of the Grand Canyon National Park Airport
- Interest income on aviation funds on deposit

State Aviation Fund revenues collected are deposited in the State Aviation Fund and can only be used for the construction, development, and

improvement of publicly-owned airports throughout the state.

The Aviation Revenue Section works closely with various law enforcement agencies. The Division's records are useful in determining true ownership as well as historical background of an aircraft. Some of the agencies which use aircraft registration information include the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Department of Public Safety (DPS), Internal Revenue Service (IRS), National Narcotics Border Interdiction System (NNBIS), sheriff's offices and city police departments. The on-line records system has been very beneficial to law enforcement agencies. The Aviation Revenue section also works with other federal, state and local governments such as the Federal Aviation Administration (FAA), Department of Revenue, Emergency Medical Services, Arizona Corporation Commission, Industrial Commission of Arizona and the Department of Economic Security.

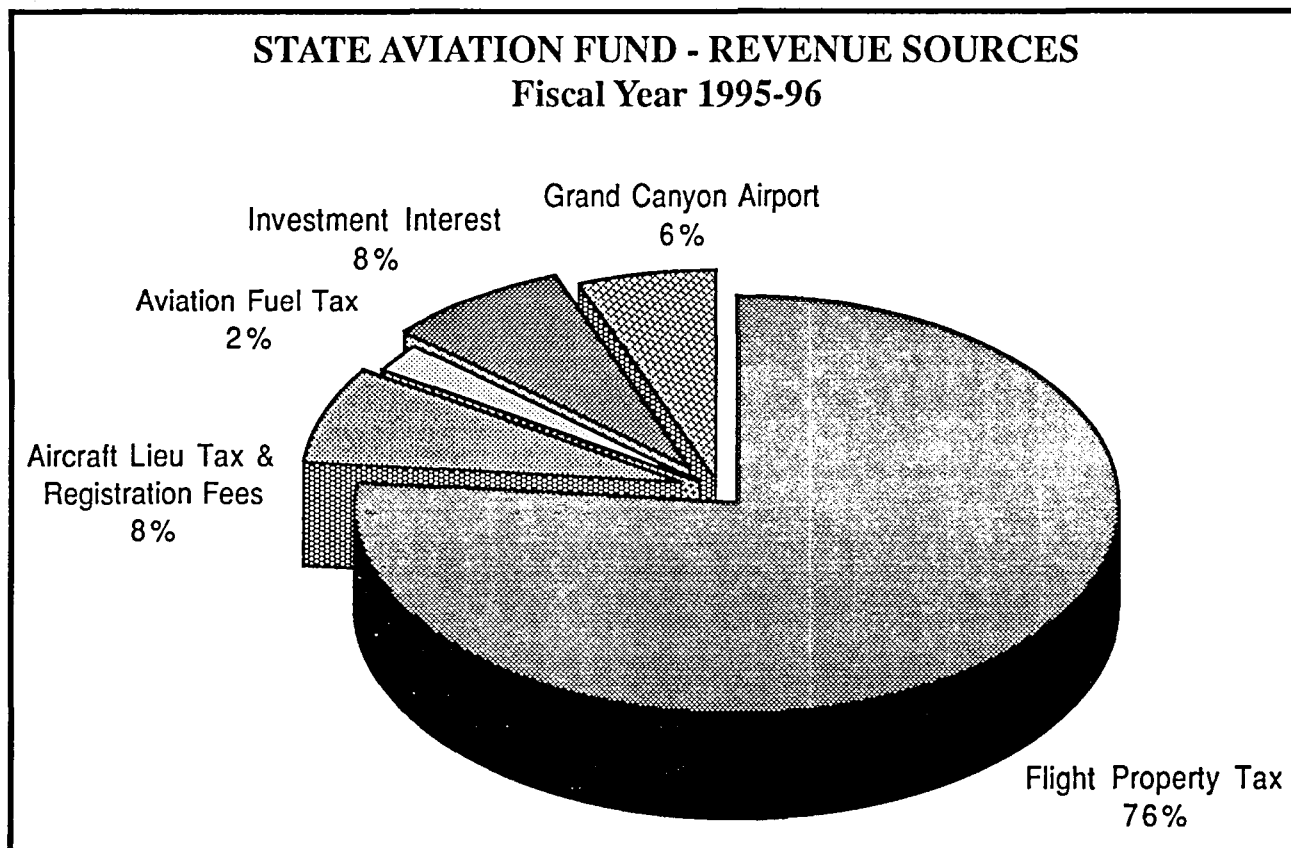


Figure 5

Number of Aircraft Registered By Calendar Year

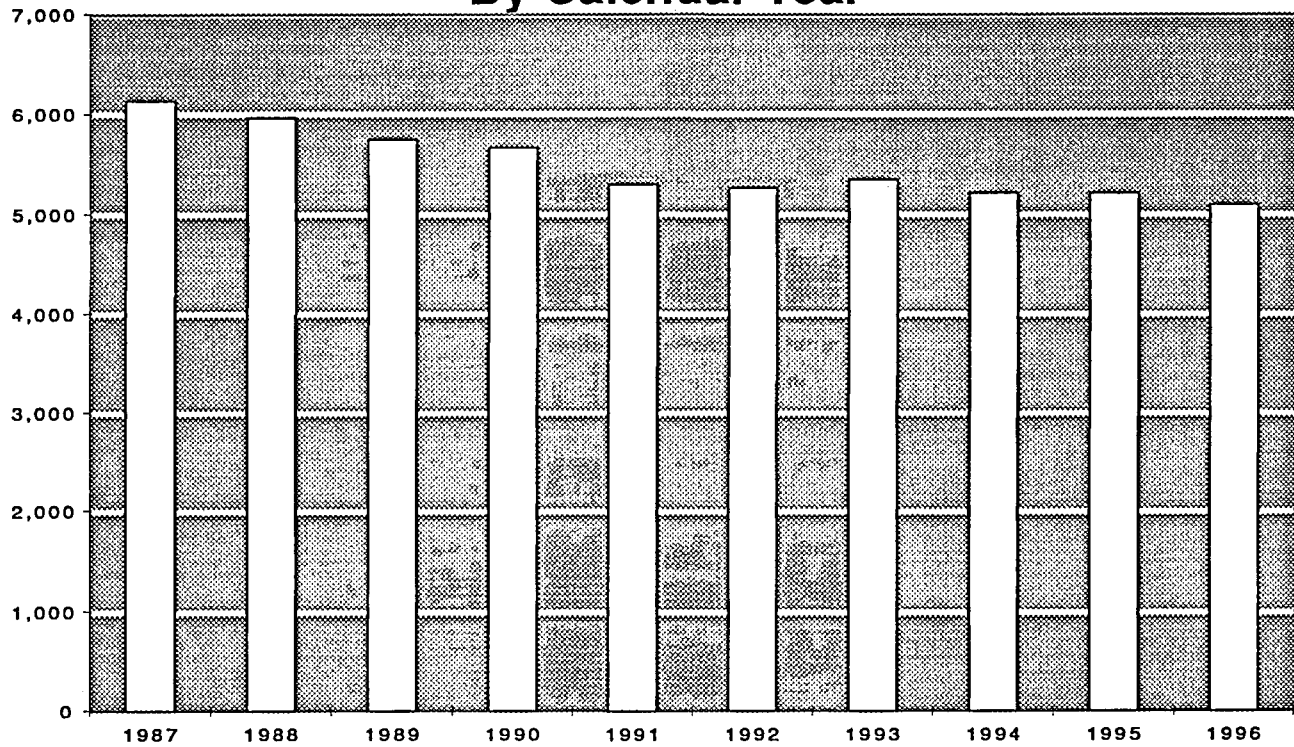


Figure 6

Lieu Tax and Registration Fees By Fiscal Year

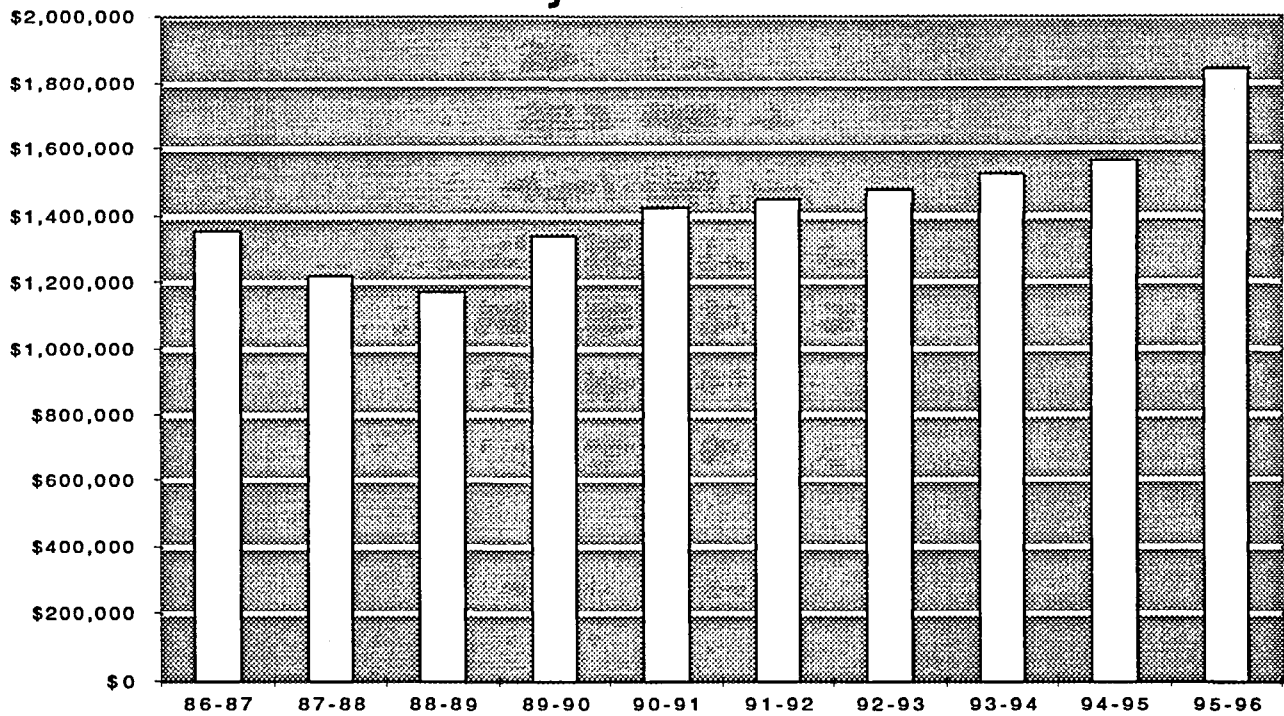


Figure 7

AIRCRAFT REGISTRATION DATA

<u>FISCAL YEARS</u>	<u>AIRCRAFT⁽¹⁾ REGISTERED</u>	<u>AIRCRAFT LIEU TAX</u>	<u>AIRCRAFT REG. FEE</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL REV. TAX & REG.</u>
69-70	2,135	\$105,058	\$10,876			\$160,930
70-71	2,499	\$160,731	\$12,248			\$172,979
71-72	2,945	\$210,202	\$15,238			\$225,440
72-73	3,283	\$239,821	\$16,308			\$256,129
73-74	3,463	\$424,776	\$18,641			\$443,417
74-75	3,487	\$468,546	\$19,590			\$448,136
75-76	4,073	\$511,330	\$19,585			\$530,915
76-77	4,372	\$699,569	\$22,213	\$15,510	\$2,864	\$740,156
77-78	5,131	\$941,568	\$23,129	\$9,295	\$1,668	\$980,791
78-79	5,289	\$1,264,776	\$24,972	\$10,800	\$1,409	\$1,301,957
79-80	5,403	\$1,608,107	\$26,156	\$19,372	\$5,123	\$1,658,757
80-81	5,846	\$1,851,033	\$27,460	\$18,662	\$8,374	\$1,905,649
81-82	6,009	\$1,904,154	\$27,276	\$19,764	\$9,210	\$1,960,405
82-83	6,062	\$1,949,822	\$28,210	\$25,807	\$15,267	\$2,019,106
83-84	6,000	\$2,194,838	\$29,138	\$24,268	\$16,311	\$2,264,555
84-85	6,159	\$2,521,643	\$29,200	\$21,900	\$16,892	\$2,589,635
85-86	6,162	\$2,567,490	\$30,116	\$21,940	\$10,285	\$2,597,606
86-87 ⁽²⁾	6,150	\$1,297,328	\$28,650	\$19,265	\$10,144	\$1,355,387
87-88	6,133	\$1,162,980	\$27,500	\$20,894	\$10,662	\$1,222,036
88-89	5,969	\$1,121,900	\$26,100	\$13,500	\$9,700	\$1,171,200
89-90 ⁽³⁾	5,754	\$1,288,750	\$24,750	\$18,060	\$8,451	\$1,340,012
90-91	5,670	\$1,374,723	\$27,280	\$14,175	\$5,959	\$1,422,137
91-92 ⁽⁴⁾	5,291	\$1,404,933	\$26,285	\$15,740	\$773	\$1,447,731
92-93	5,258	\$1,429,867	\$25,275	\$19,655	\$190	\$1,474,989
93-94	5,341	\$1,473,081	\$26,420	\$23,345	\$60	\$1,522,906
94-95	5,212	\$1,517,470	\$24,665	\$18,835	\$155	\$1,561,125
95-96	5,104	\$1,793,314	\$25,395	\$22,560	\$46	\$1,841,315

(1) Calendar Year Data

(2) Decrease in revenue reflects tax reform legislation cutting tax rate in half.

(3) As a result of new legislation requiring stored aircraft to pay a fee, the total number of registered aircraft has decreased due to owners having aircraft deregistered with the FAA, voiding the requirement to register with the State.

(4) As a result of new legislation the penalty fee was revised and interest was eliminated.

Source: Aeronautics Division, Arizona Department of Transportation
Unaudited Financial Records

Table 5

HISTORICAL AVIATION FUEL TAX DATA

<u>FISCAL YEAR</u>	<u>GALLONS OF FUEL</u>	<u>1¢/GAL AVIATION FUEL TAX</u>	<u>5¢/GAL AVIATION FUEL TAX</u>	<u>UNCLAIMED/ UNREFUNDED AV FUEL TAX</u>	<u>TOTAL FUEL TAX REVENUE</u>
69-70	5,331,384	\$34,528		\$105,996	\$140,524
70-71	5,818,298	\$59,367		\$110,462	\$169,829
71-72	6,144,510	\$60,307		\$107,932	\$168,239
72-73	5,885,395	\$59,395		\$126,475	\$186,870
73-74	6,444,930	\$64,207		\$130,815	\$195,022
74-75	6,871,623	\$69,781		\$143,084	\$212,865
75-76	7,075,481	\$68,343		\$174,982	\$243,325
76-77	9,577,534	\$72,506		\$186,152	\$258,658
77-78	9,541,147	\$69,926		\$213,890	\$283,816
78-79	8,159,000	\$85,159		\$254,113	\$339,272
79-80	9,054,499	\$90,545		\$252,089	\$342,634
80-81	12,453,322	\$124,533		\$317,742	\$442,275
81-82	11,228,545	\$112,285		\$268,315	\$380,600
82-83	8,482,597	\$84,826		\$229,812	\$314,638
83-84	8,227,983	\$82,279		\$284,747	\$367,026
84-85	7,637,721	\$76,377		\$305,734	\$382,111
85-86	6,471,370	\$64,714		\$336,316	\$401,030
86-87 ⁽¹⁾	8,202,591	\$11,900	\$350,629	\$81,779	\$444,308
87-88 ⁽²⁾	8,929,382		\$306,774		\$306,774
88-89	10,276,177		\$502,765		\$502,765
89-90	10,610,226		\$530,511		\$530,511
90-91	11,033,960		\$551,698		\$551,698
91-92	10,061,760		\$503,088		\$503,088
92-93 ⁽³⁾	7,934,660		\$396,733		\$396,733
93-94	13,815,040		\$690,752		\$690,752
94-95	8,859,600		\$442,980		\$442,980
95-96	10,246,566		\$512,328		\$512,328

(1) As of August 13, 1986 - AvGas Tax was increased from 0.01¢ per gallon to 0.05¢ per gallon.

(2) As of August 18, 1987 - AvGas Refunds were eliminated except for aerial applicators.

(3) An additional \$151,541 was collected in fiscal year 1992-93, however, it was credited to the fiscal year 1993-94 numbers.

Table 6

Aircraft registration information is available to consultants, engineering firms and various planning groups for airports planning as well as for forecasting purposes. Registration information is also made available to airports to assist in identifying aircraft and owners.

In 1995, House Bill 2112 of the 42nd Legislature was passed. This bill redefined the criteria for the abandoned aircraft category and made other changes that allow for additional customer service improvements to the aircraft registration statutes. These changes are customer-friendly and clarify aircraft registration requirements and processes.

AVIATION SAFETY AND EDUCATION

The Division's Aviation Safety and Education Section is responsible for:

- The dissemination of aviation information
- Aviation safety programs
- Aviation/aerospace education programs
- The monitoring of aviation rulemaking and regulations
- The analysis of proposed airspace changes



Aviation Information

The Aviation Safety and Education staff monitors regulatory proceedings and reviews federal proposed rulemaking notices, press releases, magazines, newsletters and journals to stay in touch with aviation safety, regulatory, and industry developments that affect Arizona. Many of these source materials are organized and retained in an aviation reference library. Regulatory and navigation data are kept current and available.

The section receives a large number of calls, letters, and other contacts from the general public, governmental entities and aviation interests each year requesting various types of aviation-related information. Information is provided on the spot, research is initiated, and referrals are made to other sources having additional specific knowledge or expertise.

Aviation Safety

Aviation safety efforts during 1995-96 centered primarily on assisting with the FAA 5010 Airport Safety Inspection Program; research and analysis of proposed airspace changes; and membership in the Arizona Aviation Safety Advisory Group.

Aviation/Aerospace Education

During FY 1995-96, the Aviation Safety and Education Section supported the annual International Aviation Art Contest sponsored by the National Aeronautic Association, NASAO, and the FAA. Approximately 301 Arizona school children participated in the contest. The Division also participated and manned a display at the Oshkosh Annual Flyin, held August 1996, in Oshkosh, Wisconsin. Division personnel welcomed the opportunity to meet face-to-face with our customers from all over the nation.

Additional Activities

The Aeronautics Division, through the Aviation Safety and Education Section maintains close contact with members of aviation organizations, as well as with the general public. The Aviation Safety and Education Section also has the role of acting as an information resource for the other sections of the Division.

Publications

The Annual Progress Report is a report of the activities of the Aeronautics Division over the preceding fiscal year. It is updated annually.

Helicopter Facts is a pamphlet providing basic information about helicopters and how they fly. The pamphlet was designed as an educational tool for use during helicopter displays, and is provided on request.

Desert Survival Guide is a pamphlet outlining various desert survival principles, including specific techniques in survival situations. This pamphlet was revised and updated this past fiscal year.

Bald Eagle Nesting Sites is a brochure designed to provide pilots with the most specific and current information available on sensitive bald eagle nest areas in Arizona. This brochure was produced in cooperation between the Arizona Department of Transportation and the Arizona Department of Game and Fish. The brochure was updated this past year.

Arizona Aviation Facts is a one-page reference on general aviation in Arizona. The fact sheet contains information on the number of pilots, aircraft, airports, and nav aids. Arizona Aviation Facts is updated annually.

